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Computer Underground Comes Out of the Cold

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BODY:

On stage in the Grand Ballroom here at the Sahara Hotel, an intense young man who calls himself the Dark Tangent is holding up a T-shirt that declares, "I am a Fed."

Before an audience composed largely of college-age men, he jumps to the floor and strides down the aisle until he finds his victim, an older man trying his best to remain inconspicuous.

"We've found one," he shouts.

Cornering his quarry, he proclaims that another Federal agent, sent to spy on this gathering of the computer underground, has been unmasked. As punishment, the "unmasked agent," who later acknowledges actually being a computer security worker for a corporation, is forced to accept the damning T-shirt.

Like a paranoid version of pin-the-tail-on-the-donkey, the favorite sport at this gathering of computer hackers and "phone phreaks" seems to be hunting down real and imagined telephone security and Federal and local law-enforcement authorities who the attendees are certain are tracking their every move.

The Computer Underground

Of course, they may be right. The convention, dubbed Def Con II after a Pentagon phrase referring to stages of readiness, is the largest of a series of eclectic and anarchistic gatherings held by the loosely knit computer underground.

Those in attendance insist that their fondness for using modems and computer networks to break into corporate and Government computers and telephone switches is not a criminal activity.

Instead, the more than 370 people who paid a $30 registration fee to gather here this weekend to hear speeches and exchange tips profess that they are motivated by a higher calling. They call it the "hacker ethic" -- a passion for gathering information about and understanding the most minute details of the computer systems that run everything from the nation's telephone networks to its banks and other businesses.

They say they have no desire to profit from the information they steal. They say they want only to inject a sense of romance and adventure into a modern life characterized by suburban tracts and fast-food chains.

Indeed, despite the best efforts of Government and corporate security experts, the computer underground has continued to make the nation's computer networks a playground.

Intruders in the Military

Recently, for example, Pentagon officials have acknowledged that they are no longer able to keep technologically well-armed intruders out of at least part of the nation's unclassified military networks.

And the F.B.I. seems bewildered by the exploits of Kevin Mitnick, a 29-year-old programmer who has eluded a 20-month manhunt while, agents say, occasionally stealing software from the nation's cellular telephone companies.

This weekend, however, the scope of the nation's computer-security problems is not on the mind of Jeff Moss, a 24-year-old second-year law student at Dayton University in Ohio who styles himself the Dark Tangent and organizes the Def Con conventions.

Mr. Moss, whose clean-cut appearance provided a contrast to the nose rings and dyed hair of some of the other participants, instead seems preoccupied by the complaints of hotel security officials who have threatened to shut the convention if any more minors are caught drinking.

He created the Def Con convention last year because he wanted to find a place to have a party for his friends from the pirate bulletin board world, a shadowy community of computer users who trade illicit commercial software programs via telephone lines and modems.

No Real Names

"I don't think that many of the people who are here actually commit crimes," Mr. Moss said in an interview. Yet he acknowledged that he is not taking any chances: "I tell everyone I don't want to know your real name. I don't want to have to testify against my friends."

The fear of exposure at this year's gathering leads to a degree of anonymity. The attendees' name badges include colorful noms de guerre like the Jackal, Dr. Freeze, Erik Blood axe, and Theora.

Indeed, this year's convention has attracted at least a smattering of above-ground law-enforcement officials and Federal employees.

'There's the Fed!'

One person who seemed to be comfortable wearing his "I am a Fed" T-shirt was Ken Olhtoff, who identified himself as an employee of the National Security Agency.

"I had just got in the door when they started to scream, 'There's the Fed!' " he recalled.

Mr. Olhtoff would not say why he was here. He said he tinkered with computers at the agency.

Gail Thackeray, a Phoenix prosecutor who is attending her second Def Con, was a speaker today.

Ms. Thackeray took the event in good sport. "I was going to bring my laptop computer," she said, "but at the last moment I left it home for obvious reasons."

Ms. Thackeray said she came to the convention to confront the young participants with the dangers their activities presented. She told them that the real problem was not any Government Big Brother, but individuals and corporations who did not respect privacy.

"I'm not breaking into people's electronic mail -- life is too short," she told a skeptical but polite audience. "But a lot of you are."

Security Officials on Hand

Also attending the convention are some corporate security officials who say they have come to learn more about the enemy.

"The hackers are interested in gaining the same information we are," said Ed Simonson, a 52-year-old vice president at Teledesign Management, a telephone system security company in Burlingame, Calif. "We just approach things in different ways."

The featured speaker at this year's convention was Philip R. Zimmermann, an independent programmer who has written a free software program called Pretty Good Privacy, which codes data to make it possible to send secret messages.

Mr. Zimmermann, who is now the subject of a criminal investigation because his software has appeared overseas, apparently violating American export-control laws, was obviously a folk hero to the attendees, who raptly listened to his speech about Government surveillance of electronic mail.

"It's possible for Government computers to automatically scan for keywords in our electronic mail," he told them today. "This has a bad effect on democracy; it's like '1984.' "

After one day of Def Con, Mr. Moss concluded that the convention, scheduled to end on Sunday, was going to be a success.

"The hotel walls are still standing and we've only wrecked one soda machine," he said.

GRAPHIC: Photo: Jeff Moss, left, at the hackers' gathering with a colleague who gave his name only as Terrence. (John Gurzinski for The New York Times)

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